

CORRESPONDENCE

LAND GAMBLING IN THE U.S.A.

The Editor, LAND & LIBERTY.

Sir,—We are in the midst of much the same programme here now as Mr. Heilig related with regard to land speculation in your published book *Why the German Republic Fell*. There is a scramble to unload land on the Government for army and navy purposes of every description. As of last December over 30 million acres had been sold to the nation since Pearl Harbour (7th December, 1941), being 64,368 separate tracts of land in all parts of the country. This about equals the area of all the New England States. It won't be long until "Uncle Sam" owns all the land, at this rate, but the prices he is paying are seldom cheap. The Government is also buying hotels, galore, and buildings of all sorts. The local papers recently told of a jury in San Jose, California, fixing a price of \$500,000 for three miles of abandoned railway right of way, far from any city, which was wanted for highway purposes. The Government officer in charge is quoted by the papers as saying the figure is an outrage, and that \$5,000 would be too much to pay! Every speculator with a big tract of arid flat land is working to unload it on the Government for an airfield or some such scheme.

I am trying once more to get the Supreme Court of the U.S. to say whether or not Congress has the power to control the ground rent due to a state from private landholders. The landlords deny that the Congress has power to control rent they think belongs to them, and a test case on that question is also now before the Supreme Court of U.S.

The United States District Court of Indiana ruled that Congress exceeded its constitutional power when it passed the law under which rent that is payable to private interests could be "frozen."

The outcome of these two cases might easily result in the rule of law, under which the Congress will have no power to regulate or control rent due to private interests, but it will have power to regulate and control the same rent if it is claimed *both* by a State and private interests. This could only mean that the right of a State to collect rent, through its sovereign power of taxation is inferior in rank and dignity to the right of private interests to pocket the same rent.

Needless to say, this would be diametrically opposite to the rule of law, and our Constitution, as construed by the Supreme Court for over 150 years steadfastly and without the slightest deviation. If you have not recently read *The Federalist Essays*, I urge you to read Nos. 30 to 36 and 80 and 81 by Hamilton, who was the leading advocate of centralised power. Note his clear agreement that the power of the States to tax land would be "independent and uncontrollable" by the Congress, in the "most absolute and

unqualified sense." (Essay 32.) In short, the power of the States to tax the value of land, was to be retained by the States, and that power could no more be interfered with in any way by the Federal Government than it could be by your Government. The rule is also well settled that no consent by a State can enlarge the powers vested in Congress, and this was inserted in the law just to prevent what is now being attempted.

The pity is that so few have grasped the bottom point, which is the authority of Congress to control direct taxes payable by private holders of land to a State Government, contrary to the laws of the State. Congress has not taxed the value of land since 1861, and there is no prospect at all that it will do so. Hence the only hope to prevent an unbearable tax burden on earned incomes, is to thwart the attempt of the landlords to escape the payment of taxes they lawfully must pay to a State, under State law, with the help of the Courts of the Federal Congress. Given any power in that regard, it is easy to foresee the pressure that will be put on the Congress by private rent appropriators for more and more "relief" from their duty to contribute rent, under the State's taxing powers. This may well grow to be our most serious domestic problem if not nipped in the bud, which I have been trying very hard to do.

The time has clearly come when the war costs have reached such a height that we can no longer afford the luxury of supporting private appropriators of ground rent at the expense of those who work and produce. The alternative can only be inflation and regimentation of those engaged in production, right down the line. The sea ahead will need skilful navigators.—Yours, etc.,

J. RUPERT MASON.

San Francisco.

BELFAST'S GROWTH

The Editor, *Land & Liberty*.

Sir,—To show the burden which industry is carrying I have been getting out some figures of a very interesting city, viz., Belfast. It is an instructive history because the city is entirely modern and we have a definite Land Value from which to begin.

In 1603 Belfast did not exist. Carrickfergus was the chief town on the Lough; it was besieged and successfully held for England by Sir Arthur Chichester, for which he was rewarded by a gift of 25 square miles of land where Belfast now stands. It was mostly mud and sandbank, with a few fishermen's huts. Chichester was much disgusted with the reward and offered to sell it to anyone for £5 for the lot (at 4s. per square mile) but even at this figure there were no buyers. For generations the site remained much the same, but in the more settled state of the country, its sheltered position on the Lough began to attract people. By 1760 a population of 9,000 had settled there. Forty years later it had grown to 15,000; in 1816 to

30,000. Spinning and weaving was the chief industry. In 1840 the Harbour Commissioners were appointed to improve the harbourage, and in process the Queens Island was formed and a shipyard commenced. In 1862 a Yorkshireman, Edward Harland, took over the yard and was joined by a German named Wolff. By 1850 the town had grown to 100,000, in 1880 to 200,000, and to-day the population is about half a million.

I have three friends in the city, none of them within three miles of Donegal Square, the centre. The three house plots cover not more than half an acre, and the ground rent is £30 per annum. Taking this as a rough guide the total Land Value for the 25 square miles cannot be much less than £1,000,000 per annum. The Chichester family married into the Shaftesburys who still retain large interests in the land, very little of which is freehold but let on long leases. Here is a striking example of the increase of Land Value. What was not worth £5 three hundred and fifty years ago is now worth £1,000,000 per annum.

The question arises: Who has made this value? Have the Chichesters or Shaftesburys done anything? The reply is Nothing. Who then?

Yours, etc.,

PRYCE V. OLVER.

Ben Rhydding, Yorks

A WORD TO PROTAGONISTS

The Editor, *Land & Liberty*.

Sir,—So Mr. Denis Green does not agree with me; he thinks that the advocates of the Taxation of Land Values must rely on the support of the "Have-nots" because they are more reasonable than the "Haves," and are not so swayed by apparent self-interest.

Well, it is a free country; you can think what you like.

But I trust that the gospel of economic freedom is more widely accepted than Mr. Green seems to think, if it were not so it would be a bad case.

Yours, etc.,

C. W. L.

The Editor, *Land & Liberty*.

Sir,—By way of comment on the discussion in which "C. W. L." and Mr. Denis Green have been engaged, it may be relevant to quote the following passage from Mr. H. G. Wells's new book *The Conquest of Time* (page 68):—

"In a different social order invention and discovery would not be locked up and held back in the carefully guarded laboratories of great profit-making concerns. . . . But all these devices, organizations and enhancements of human capacity which would be eagerly welcomed and anticipated in a mentally active community are depreciated and depreciated with the utmost earnestness by our mandarin-minded rulers. Their sense of superiority, their cultivated defensive conceit, is invincible. They do not seem to care even for the happiness of their own children. They can tolerate no other order of thing than the one that gave them their own importance. Their idea-resistance